ACTION ITEM: Approval of the “Policy on Non-Salary and Deferred Compensation” of The University of North Carolina at Greensboro

BACKGROUND INFORMATION:

The proposed “Policy on Non-Salary and Deferred Compensation” is required by the new Board of Governors’ policy, “Non-Salary and Deferred Compensation” (Policy 300.2.14). The Board of Governors’ policy was adopted on September 8, 2005, and requires campuses to establish a policy governing both non-salary compensation and deferred compensation for all employees of UNCG holding positions exempt from the State Personnel Act (EPA,) except the Chancellor, the Athletic Director and head coaches. (Non-salary and deferred compensation for the Chancellor is governed by the Board of Governors’ Policy 300.2.14 and the Athletic Director and head coaches are subject to the Board of Governors’ Policy 1100.3.) The campus policy must define how decisions will be made concerning the granting of non-salary compensation to EPA employees and must also prohibit delayed or deferred compensation for employees unless expressly approved by the Board of Governors. This policy was submitted to UNC General Administration for review prior to its submission to the Board of Trustees for approval.

RECOMMENDED ACTION:

That the Board of Trustees of The University of North Carolina at Greensboro approve the “Policy on Non-Salary and Deferred Compensation.”

A. Edward Uprichard
Provost and Vice Chancellor for Academic Affairs

Attachment
POLICY ON NON-SALARY AND DEFERRED COMPENSATION
THE UNIVERSITY OF NORTH CAROLINA AT GREENSBORO

(Approved by the Board of Trustees, ________________)
(Reviewed by the President, ________________)

I. Purpose and Applicability

Board of Governors Policy 300.2.14 requires each campus of the University of North Carolina to develop a policy on deferred compensation and non-salary compensation, and to submit it to the President for review prior to gaining final approval by the campus Board of Trustees. This policy applies to most employees of The University of North Carolina at Greensboro (UNCG) holding positions exempt from the State Personnel Act (EPA).¹

II. Deferred Compensation

A. Definitions

For purposes of this policy, deferred (or delayed) compensation (or salary) shall be broadly defined to include, but not be limited to, any employer payment or contribution paid (1) directly to an employee, (2) to the employee’s account or plan, or (3) to a person acting in a capacity similar to a trustee for the employee, which is paid later than the regular or next subsequent payment cycle, except for an error that is promptly corrected upon discovery. Delayed compensation also includes any retirement plans or accounts, annuities, life insurance that accumulates any cash value, and traditional 457 deferred compensation plans. This definition includes both tax qualified and non-qualified plans, and any other similar form of payment, whether tax sheltered or not.

B. Basic Programs offered by the State and University

The State of North Carolina and the University of North Carolina offer employees options for deferred compensation, including insurance programs. Unless expressly approved by the Board of Governors, UNCG may not provide any other employer-paid or privately-paid options for deferred compensation to its employees.

III. Non-Salary Compensation

A. Definitions and Policy Exclusions

¹ Board of Governors Policy 300.2.14 addresses non-salary and deferred compensation for the Chancellor. Athletic Directors and Head Coaches remain subject to Policy 1100.3 and its guideline, and are exempt from this policy.
Non-salary compensation includes, but is not limited to, provision of a vehicle or vehicle allowance, provision of housing\(^2\) or a housing allowance, club memberships, and special campus benefits provided for job-related reasons.

Reimbursement of professional or work-related travel, and the provision of equipment to perform the work of the position (even if used at home, including computers, cellular telephones, pagers, and similar work related items), are permissible and are not considered non-salary compensation as used in this policy.

Moving expenses are likewise not considered non-salary compensation under the terms of this policy, but can be considered (depending upon the circumstances) non-salary compensation for IRS W-2 reporting purposes. The hiring approval process may include payment of moving expenses in accordance with authority from OSBM. The decision of whether to include payment of moving expenses in an employment offer may be delegated no lower than the Provost/Vice Chancellor. It does not require subsequent approval by the Chancellor or Board of Trustees.

B. Justification

The awarding of non-salary compensation may be based on any reason or reasons considered relevant to attracting or retaining a faculty and staff of the highest possible quality. Such recommendations or decisions may not be based in whole or part on discriminatory factors of the employee’s race, color, national origin, sex, age, religion, creed, disability, or veteran status.

C. Request and Approval Process

Upon receipt of a written statement of justification provided by a Provost/Vice Chancellor, the Chancellor shall consider requests for the non-salary compensation of any EPA employee of UNCG covered under this policy. If endorsed by the Chancellor, requests must subsequently be approved by the Board of Trustees before the employee is eligible to receive the requested non-salary compensation.

D. Source of Funds and Reporting of Compensation

Unless permitted by the Office of State Budget and Management and approved by the Board of Trustees, State funds shall not be used to provide non-salary compensation. Funding may be provided directly by a University-associated foundation, if permitted by foundation policy. Non-salary compensation for any employee must be reported appropriately to federal and state tax agencies.

III. Effective Date

\(^2\) As interpreted by the Board of Governors, provision of housing, when occupancy of housing is a job requirement, is not considered non-salary compensation under the terms of this policy.
This policy is effective upon approval by the Board of Trustees (as dated in the upper right corner of the first page of the policy document).